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TAGS: [ECON](#) [EFIN](#) [PHUM](#) [PREL](#) [PTER](#) [IR](#) [AR](#)
SUBJECT: ARGENTINA: PRESIDENT'S TOUGH UNGA SPEECH
OVERSHADOWED BY ANTONINI-WILSON

REF: A. A) 07 BUENOS AIRES 1931
[1](#)B. B) BUENOS AIRES 1330
[1](#)C. C) BUENOS AIRES 1264
[1](#)D. C) BUENOS AIRES 1287 AND PREVIOUS

[1](#)1. (SBU) Summary: Argentine President Fernandez de Kirchner used her September 23 speech to the UNGA to appeal to a number of domestic constituencies, encapsulating a number of Kirchner governance themes and putting them in the context of a multilateralist, anti-neo-liberal framework. The speech, foreshadowed September 22 by her remarks at the Council on Foreign Relations, was critical of U.S. unilateralism and highlighted supposed inconsistencies in U.S.-promoted economic orthodoxy based on the U.S. Government's unfolding reaction to the financial crises. She paired her critique of liberal economic policies with what was undoubtedly intended as a reassuring description of Argentina's renewed efforts to negotiate with holdout bondholders (reftel B). She described Latin American nations as overcoming differences to approach regional crises in an effective, multilateral manner, and she called for a restructuring of multilateral institutions, including the United Nations and international financial institutions. Fernandez de Kirchner included in her remarks, as her husband had done in his 2003-07 UNGA addresses, a strong demand that Iran hand over to Argentina for a fair and transparent trial those individuals under international warrant through Interpol for the bombings of the Argentine-Israeli Mutual Association (AMIA) in 1994. She also included an appeal to the United Kingdom to accept repeated Argentine calls to begin negotiations over the future of the Malvinas Islands (Falklands). President Kirchner's speech appeared designed to appeal to several constituencies, including a hard left that is critical of any international debt repayment by Argentina. Her remarks also reflect her genuine world view regarding Latin American-led multilateralism and state management of the economy.

[1](#)2. (SBU) This speech was clearly important to the Casa Rosada (presidential palace), which posted the transcript within hours on its website. It was likely perceived as a key to the President's efforts to regain leadership following the reverses caused by the government's conflict with the farm sector and ongoing revelations of Venezuelan contributions to her campaign. The fact that the star witness in the Franklin Duran prosecution, Guido Antonini-Wilson (A-W), was brought to the stand later that same day in Miami, overshadowing Kirchner's speech in local press coverage, likely causing more consternation in the GOA. The press gave greatest coverage to A-W's claim that he had been told there was

another USD 4.2 million on the flight from Venezuela on August 4, that he had been to the Casa Rosada following his arrival in country (contradicting subsequent GOA denials), and that he had taken responsibility for the discovered suitcase with USD 800,000 on behalf of former GOA Ministry of Planning official Claudio Uberti. End Summary.

Iran Called Out, Human Rights

¶3. (SBU) In her September 22 speech to the Council on Foreign Relations (CFR) in New York and her address at the United Nations General Assembly (UNGA) the following day, President Cristina Fernandez de Kirchner (CFK) laid out a forceful Argentine agenda within the multilateral system. She encouraged states to ratify the International Convention for the Protection of All Persons from Enforced Disappearances, a convention important to Argentina given its tragic history under military dictatorship and for which Argentina currently was just one of four parties. In this context, she lauded the work of the Grandmothers of the Plaza de Mayo (now part of the pro-Kirchner base) for their efforts to identify the children of disappeared political prisoners from the 1970s and early 1980s. She noted the work of the Argentine Forensic Anthropology Team (EAAF), as well as similar teams in Guatemala and Peru, in developing a blood bank to help identify the remains of political dissidents who were killed in those countries (but neglected to mention that the USG had provided EAAF USD 1.4 million for the effort).

¶4. (SBU) CFK made a strong demand that Iran surrender for prosecution in Argentina those individuals suspected of

involvement in the 1994 bombing of the Argentine-Israeli Mutual Association (AMIA). She noted that Argentina had gone through INTERPOL to generate international warrants, and she pledged to Iran that the individuals would receive fair and transparent public trials in Argentina, "with the guarantees offered by a democratic system." Argentina's Jewish community reacted immediately, with the Delegation of Argentine-Israeli Associations (DAIA) issuing a laudatory statement. The President's statement on Iran amplified a similarly strong message by her husband, then-President Nestor Kirchner, at the UNGA in 2007 (reftel A) and previous years. DAIA, on September 24, qualified its praise by pointing out its displeasure with growing trade between Argentina and Iran (see Ref C).

The New Multilateralism

¶5. (SBU) Although CFK did not explicitly criticize the United States in her two speeches, our country was clearly the object of her critical commentary in much of the speech. At the CFR, she argued that the "violation of multilateralism" in the U.S. reaction to September 11 had "made the world more insecure" and that "universal and multilateral" decisions were required to legitimize the war on terror. She characterized as positive the political evolution of South America, describing leaders like President Evo Morales of Bolivia and Lula Ignacio da Silva in Brazil as more representative of the majority of their citizens. She noted at the UNGA that despite differing perspectives on governance among the Latin American capitals, the region's countries were increasingly coming together to address challenges to peace and security, first in the Rio Group's intervention in the tension between Colombia and Ecuador following Colombia's cross border attack on a FARC base and then via UNASUR to deal with internal tensions in Bolivia this September. "I want to emphasize with these examples that for us the commitment to multilateralism is not just rhetoric, but a profound conviction," she said, "and also a concrete political mechanism that can produce results in what is normally called the developing world -- that we are able to offer examples on the use of multilateralism to overcome conflicts."

¶6. (U) At the CFR, Kirchner was more specific about calls to

reform the United Nations and the Security Council, calling for the inclusion on the latter of new regional actors to create a more balanced and stable international system. Asked what she hoped to see from the next American President, CFK said "we hope for the reconstruction of multilateralism," which in her view would give renewed legitimacy to the fight against terrorism and narco-trafficking and better serve global and U.S. interests.

We Told You So -- But It Gives Us No Pleasure

¶17. (U) The heart of CFK's remarks centered on a description of Argentina's management of its own financial crisis, culminating in the GOA's consideration of a deal with several banks representing remaining bond holdouts -- on more favorable terms for Argentina than before, she claimed (ref B). She drew sharp lessons from the U.S. financial crisis, noting that "today they can't talk of a tequila, a caipirinha or a rice effect, or of whatever effect they name it based on the developing country from which it came and spread toward the center. Today, if we had to give it a name, perhaps it would be the jazz effect." "This doesn't make us happy or give us satisfaction," she insisted, "but offers a chance to revise policies and behaviors where previously, during the period of the Washington Consensus, the nations of South America had been told that the State was not necessary, that state interventionism was a throw-back by those groups that didn't understand modern economics." Instead, she emphasized, "the largest state economic intervention in memory has been generated in the very place where they told us that the State was no longer necessary."

¶18. (SBU) Building further on these points, CFK included a short discourse on economics, suggesting that only those profits built on the production of goods, services and

knowledge were legitimate or sustainable, implicitly in contrast to capital accumulation. "Money alone does not produce more money," she said, arguing that the world's financial crisis had grown out of a "casino" or "fictional" economy in the United States.

Malvinas

¶19. (U) Building on her theme of multilateralism, CFK also included a full appeal to the United Kingdom to begin negotiating with Argentina over the status of the Malvinas Islands (Falklands). She couched the appeal as a continuation of the United Nations' historic work of de-colonization and emphasized that Argentina's claim of sovereignty over the Malvinas as "state policy," transcending politics and parties.

Speech Reaction and Antonini-Wilson Revelations

¶10. (SBU) Online papers and the television news on September 23 quickly highlighted CFK's term "jazz effect", identifying the speech as a major critique of U.S. unilateralism and financial management. The President's mid-day speech, however, was soon chased out of the news cycle by the testimony in the late afternoon of Venezuelan-American Guido Antonini-Wilson (A-W). The A-W revelations dominated most headlines (Pagina 12 kept the CFK speech, with picture and a quote, front and center, but La Nacion and Clarin put A-W above the fold while CFK's discourse barely made the front page). La Nacion further provided a play-by-play of the Kirchners' movements and gestures in a New York hotel lobby as the A-W revelations emerged.

¶11. (U) Garnering the greatest sustained attention from the Duran trial was A-W's statement that Venezuelan State Petroleum Company (PDVSA) Vice President Diego Uzcategui had told him another USD 4.2 million had been on the plane, presumably moved through customs in other suitcases without inspection. In addition, A-W contended that GOA Highway

Tolls Commissioner Claudio Uberti, the only official to lose his job over the scandal, had thanked him for taking responsibility for the USD 800,000 when it was discovered by airport security. He also affirmed that he had been in the Casa Rosada following the incident at the airport and was briefly greeted there by Planning Minister Julio De Vido, something that De Vido and the GOA have denied.

¶12. (SBU) GOA reaction to the revelations out of Miami were muted. In Buenos Aires, Cabinet Chief Sergio Massa focused on the need for A-W to testify in Argentina, noting that A-W was, however, presently "collaborating with U.S. justice in a criminal case against Venezuela for espionage" in a U.S. federal court in Miami. Massa said Argentina had three times requested A-W's extradition so that he could help clarify the purpose of the \$800,000, and that he would welcome any contribution that A-W's testimony might make in sending the responsible parties to prison. Also in Buenos Aires, Interior Minister Florencio Randazzo dismissed A-W's presentation in Miami as "not very serious" and said the GOA did not find any merit in A-W's statements. Randazzo questioned A-W's claim that he had acknowledged to GOA authorities ownership of the suitcase only because he was in a hurry to get out of the airport on August 4, 2007. Randazzo said A-W had no evidence to prove that there was another \$4.2 million on the same flight. In New York, Argentine Ambassador Hector Timerman told "Clarín" that "I still think that A-W will say any garbage to keep from getting extradited to Buenos Aires. For me, it's like getting Gordo Valor (a locally well-known head of a criminal organization currently in prison) to testify."

Comment: Subdued GOA Reaction Thus Far

¶13. (SBU) Comment: We interpret CFK's provocative remarks, as well as last week's schadenfreude-laden remarks regarding U.S. financial difficulties (Buenos Aires 1309), as an attempt by this populist government to appease its base with left-leaning rhetoric while its economic policy becomes

increasingly orthodox. Over the past two weeks, on the high-profile issues of the Paris Club, holdouts, and utility tariff increases, GOA policy is moving in exactly the direction that the "Washington Consensus" would prescribe. We are certainly not out of the woods yet on the GOA's reaction to Miami, but do take some satisfaction from the fact that the initial comments described in para 13 seem relatively subdued, and that CFK went ahead with participation in the Secretary General's dinner on September 23 with the knowledge that A-W was already on the witness stand in Miami. Photos of CFK with President Bush were published in most papers and may be viewed as an indicator of GOA intentions to maintain the bilateral relationship, albeit one in which criticisms of U.S. policy are freely given. End Comment.

WAYNE